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# The Southern PATRIOT

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## WASHINGTON Is Saying
**By Elizabeth Allen**

### Victories for the South

**The past month in Washington has been full of events that have directly affected the South. President Truman has pursued the course set out by President Roosevelt and has won the respect and trust of the Roosevelt forces by his deep and humble sense of dedication to the task.**

The first major test of Truman's domestic policy came on the reappointment of David Lilienthal. With Senator McKellar, now President of the Senate, opposing the nomination, a great many people expressed fears that Truman would compromise the question by appointing Lilienthal to another post. But he listened to the people of the South.

In Congress the battle over the Reciprocal Trade treaties has won its first round by a close but decisive Administration victory in the House, 239 to 153. Representative Bob (Old Muley) Doughton of North Carolina led in the battle for the measure and held most of the Democrats' feet to the fire. In the final vote, however, nine Southern Congressmen, voting with the Republicans, showed they had learned nothing from the last twenty years: Cannon, Peterson and Rogers of Florida; Jennings of Tennessee; West of Texas; Robsion of Kentucky; Domengeaux of Louisiana; and Rizley and Schwabe of Oklahoma.

**(Continued on Page 8.)**

### Humpty-Dumpty Never Learns

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# Freight Rate Victory - - Green Light for Industry

**Industrial expansion lies ahead for the South, with the winning of the recent Interstate Commerce Commission order ending freight rate discrimination.**

When the ruling takes effect, August 1, Southern manufacturers will be able, for the first time, to compete with the industrial East. For example, under the age-old discriminatory system, paint produced in Montgomery, Alabama and shipped to Baltimore had a rate handicap of 5.27 cents per gallon in competing with paint manufactured in Peoria, Illinois. This is 51% of the customary net profit for the industry—and meant that paint manufacturers either stayed out of the South or were forced to manufacture lower quality merchandise and pay sub-standard wages.

### The South—A Raw Material Economy

As a result of this discrimination, the South has long had a "raw material economy"—producing at little or no profit cotton, lumber, minerals for the North to turn into textiles, furniture and automobiles at high profit—just as colonial dependencies have always functioned. The entire Southern economy was in bondage; thus:

—With 20% of the population, 10 Southeastern states, according to the McCarran Committee Report, had only 10% of the nation's factory production; and only 11% of the national income in 1940.

—The South had 15% of the manufacturing wage earners in 1939 but paid less than 10% of the total wages.

### No Excuse For Wage Differentials

**The significance of the ICC ruling is that 1) the South can now begin to manufacture high-grade finished products from its abundant raw materials — the skilled fabrication which always means more profit and higher wages; 2) the South can attract new industries from the outside; 3) there will no longer be any excuse for sub-standard wages.**

Specifically, the I.C.C. ordered the railroads to establish a uniform freight classification system for the entire nation, and in the meantime ordered temporary 10% reduction in class rates in the South and West, and a 10% increase in class rates for the Northeast.

Class rates apply essentially to manufactured goods, as contrasted with commodity rates, which include bulk shipments of raw materials. At the present time, class rates apply to a very small percentage of traffic moving from the South and West to the Northeast—from 0.9% to 3.1%; while 12 to 22% of all shipments from the Northeast to the rest of the nation fall in this class. This illustrates the overwhelming concentration of manufactured goods production in the Northeast at the present time, an unhealthy symptom which the ICC decision should remedy.

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The ruling came at the end of a six-year investigation by the ICC into the freight rate problem; but the whole South, industry and labor alike, has long protested the discrimination system. The TVA, in an exhaustive study, and several Southern public utility commissions, helped prepare the basis for the ruling, and the Southern Governors Conference, led recently by Governor Ellis Arnall, of Georgia, helped prod the ICC into action. Governor Arnall, who had meanwhile attacked the problem in the Supreme Court by charging the railroads with violation of the anti-trust act, will continue to push his case.

**The order is particularly timely, as it will encourage the conversion of Southern wartime industries to peacetime manufactures. The South's abundant raw materials, power and newly-skilled labor all point to a period of industrial expansion.**

# TRENDS

### Social Security Skips Southerners

**Social Security protection is not available to 62 per cent of all Southern workers, according to the Social Security Board. This means that the South is bearing more than its share of the burden of the Social Security program, and receiving far less benefits—a situation which may work a greater inequity, we are warned, than unequal freight rates. The Wagner-Murray-Dingell bill would extend complete social security protection to workers left outside by present laws.**

### Stay South, Young Man!

*A recent Army survey reveals the fact that 35% of the white Southerners in service have no intention of returning to the South after the war. Migration of its educated and trained young people is an old story to the South, which for so many years has been able to offer a minimum of opportunity to youth. A campaign to make servicemen and other young people conscious of the wartime development and new opportunities of the South is badly needed.*

### Research Uncovers $1,000,000

North Carolina and Texas have decided that the transition from an agricultural to an industrialized South may be speeded by careful research into the uses of Southern products. The University of North Carolina recently held a South-wide conference on research, bringing together experts on pure research, nutrition and public health, the humanities and social sciences, industry and agriculture. And Texas is considering a state-supported program of chemurgic research, into uses for waste or surplus agricultural products. It is estimated that cotton research since 1941 has returned $1,000,000 a year to Texas farmers, in extended uses of cotton and its products.

### Alabama Legislature, Please Note:

*The average Alabama teacher was paid $976 last year, compared to a national average of $1,655. In 1944, 17,800 Alabama children were not in school because of lack of teachers or transportation. 8,174 new classrooms are needed in that state. Between 68 and 74% of all Alabama adults have never attended high school or college. The state was highest in the nation in the number of draft registrants rejected because of educational deficiency.*

### Prescription For Georgia

**More doctors, a larger medical school, a general hospital and a network of small state-owned hospitals are prescribed for the health of rural Georgia by an investigating committee of the Georgia legislature. The Georgia public health department has been asked to estimate the cost of the proposed smaller hospitals.**

### You Can Help the Vets

J. Melville Broughton calls the attention of the nation to the United Negro College Fund campaign. The former governor of North Carolina, helping to launch the drive for $1,550,000, declared that private Negro colleges must be enlarged and improved to serve an estimated 30,000 Negro veterans after the war. He pointed out that the entire nation must help support the thirty Negro colleges located in the South.

### Labor-Haters Defend Nazis

**The Christian American Association—whose red-white-and-blue stationery proclaims that it was incorporated "for the promotion of Americanism"—is busy defending Nazism, and is actually justifying German atrocities against American prisoners of war.**

**CAA organizer L. J. Baum told a Federated Press reporter in Kansas City:**

**"I think it is terrible, but bear in mind, those fellows, the GIs, went 5,000 miles to get that kind of treatment. If they had stayed home where they belong, nothing like that would have happened."**

## Southern Political Round-up

### Alabama

When the Alabama Legislature opened on May 2, anti-poll tax forces were gathering strength around the state; a survey of public opinion showed 69% of the white voters in favor of poll tax repeal; petitions to the governor and legislators signed by an impressive and growing group of state leaders—largely businessmen and executives, along with ministers, teachers, lawyers and doctors —were mounting.

**But South Alabama polltaxers, fearful of rising popular sentiment, rushed in for the kill. In spite of Administration desire to postpone action, Representative Hodo's bill to amend the constitution to abolish the cumulative features of the vote tax was brought to the floor, debated in Rankin style for less than an hour and defeated, 70-25.**

Sponsors of other repeal bills, Representative Moody Redd and Senator John Sherrer, have temporarily tabled their bills, but insist they will work even harder to give the people a chance to vote.

A vitally important health measure is pending before the Legislature, which would authorize the construction of a network of hospitals and health centers, desperately needed, throughout the state.

### South Carolina

The South Carolina legislature adjourned without taking action to repeal the poll tax. But the legislature meets again next year, and if poll tax repeal legislation is passed at that time it will still be possible to amend the constitution in time for the next presidential election.

### Florida

Balancing the budget has consumed most of the time of the Florida legislature. No sales tax will be passed.

Chances are that the white supremacists will not succeed in their efforts to tear up the primary laws to prevent Negro voting.

The 25% millionaire's tax limitation resolution has been killed.

There has been no major reform, and little attention to the state's post-war problems.

### Texas

The Texas Legislature adjourned without taking action on most of the important measures before it. A constitutional amendment granting the ballot to servicemen without payment of pall tax was passed, but a similar bill repealing the tax for all Texas citizens was not acted upon.

The Christian American anti-labor legislation, which squeezed through the House, died in the Senate.

## Southern Students at San Francisco

Southern students are taking their place at the peace table in San Francisco. Enthusiastic delegates from fifty Southern colleges meeting April 15 at Chapel Hill, North Carolina, sent two student observers to the Conference on International Organization.

The students elected, Douglass Hunt of the University of North Carolina and Sgt. Maurice Clifford of Meharry Medical College, are keeping Southern student bodies in touch with every action of the peace conference.

After gathering on the Chapel Hill campus to discuss the part of the South and its universities in world affairs, the students, representing major colleges in every Southern state, decided to form a permanent organization, the Conference of Southern Students.

The students are now busily engaged in organizing campus opinion behind Dumbarton Oaks and Bretton Woods. Further information on the new organization can be secured from its Executive Secretary, Douglass Hunt, University of North Carolina, Chapel Hill, N. C., or from the President, Charles Proctor, graduate in chemistry at Fisk University, Nashville, Tenn.

# THE SOUTH FACES THE FUTURE

Southern Patriot Feature June, 1945

## The Peoples' Stake In San Francisco

THE SOUTHERN PATRIOT *asked Mrs. Mary McLeod Bethune, founder of Florida's Bethune-Cookman College and Executive Board Member of the Southern Conference for Human Welfare, to send us a message from San Francisco, where she is a Consultant for the State Department.*

This is a great historic moment for me. My appointment by the State Department as one of the consultants to the American delegation at the World Security Conference in San Francisco, is both an opportunity and a challenge.

To see the world in action—to lift one's sights—to encompass a world view of the problems of peace and to think together with the representatives of forty-nine nations on the creation of a World Organization is one of the rare experiences of a lifetime.

We realize that the conference is only a beginning, but a beginning so vital since it is laying the groundwork for a lasting peace.

We the common people, the little people, the world over want so sincerely peace—world peace—world cooperation—world good will—world freedom. This, and this alone will bring to common peoples everywhere honest government, free schools, liberty, leisure, decent homes and self confidence. We face this conference heartened and hopeful—for here we are taking the first real steps toward this goal of world security and lasting peace.

**—Mary McLeod Bethune.**

## Graham Points the Way to a New, Happier South

A clarion call to the people of the South was sounded last week by Dr. Frank P. Graham, the region's leading educator and progressive spokesman, who urged "the Southern people, regardless of party, race, creed or economic position, to unite in support" of the following postwar program for the development of the South:

1. Reduction of uneconomic tariffs.
2. Elimination of discriminatory freight rates signally recognized in the preliminary and far-reaching decision of the Interstate Commerce Commission.
3. Federal aid to the states for the public schools without federal control; increased pay and equal pay for teachers of equal competence; as steps toward providing equal educational opportunity for all youth.
4. Elimination of the poll tax as a prerequisite to voting and provision for the equal suffrage rights of all citizens in primaries and general elections.
5. More and diversified industries in the South and responsible collective bargaining between organized business and organized labor.
6. State minimum wage laws in line with the federal minimum, fair employment practices and equal pay for equal work.
7. More diversification of agriculture; conservation development of soils, forests, minerals and water-power, promotion of agricultural cooperative societies, farm and home ownership, and the establishment of a clear and equitable status for tenants.
8. Adequate state and federal support not only of applied agricultural and industrial research but also of fundamental scientific, economic, historical, social and humanistic research.
9. The development of great university centers in the South.
10. State aid for rural health centers and a state-wide medical care and hospital program for all the people.
11. State aid for county-wide libraries; for adult education; workers' education; institutes of government; state symphonies and folk drama.
12. Most important of all, vigorous support now for the winning of the war in Asia; for Dumbarton Oaks, Bretton Woods and the international organization of justice and peace in the world.

Dr. Frank P. Graham

Dr. Graham is President of the University of North Carolina, Member of the National War Labor Board and Honorary Chairman of the Southern Conference for Human Welfare.

## The South and the Peace . . .

**Today, as the people of the democratic world devote their energies to planning a new world of peace and security, the South, too, faces the future.**

**In a series of special features, The Southern Patriot hopes to focus attention on the economic and political problems of the South and provide the information essential to the charting of a program that will assure to all the South's people the four freedoms for which we continue to fight.**

**This issue is especially devoted to the problems of the peace, the peace that is being decided today not only in San Francisco, but especially in Washington. Shall it be economic cooperation or economic isolation for America? Shall it be prosperity or poverty for the South? The action of Congress on the Reciprocal Trade Treaties and the Bretton Woods Agreements will largely answer this crucial question.**

**The next issues of "The South Faces the Future" will be concerned with the promise for Southern industry, labor and agriculture. We will welcome the views of our readers, especially from servicemen and veterans, on the road that lies ahead for the South.**

# Why the South Needs Bretton Woo

Two cornerstones of the peace are now before Congress—the Reciprocal Trade Treaties and the Bretton Woods Agreement. Both measures are of utmost importance to the future of the South, as well as to the peace of the world.

**Few Southerners are aware of the contribution made by foreign trade to the income of the South, before the war. These figures for the 20s and 30s are significant:**

—More than half of the cotton produced in the South was exported, not including the finished cotton goods shipped abroad; 37% of our tobacco was exported; and 46% of the phosphate rock, mined largely in Tennessee.

—In 1927, the value of exports shipped through Southern ports exceeded one and one-half billion dollars; in 1937, after the depression, Southern exports still were valued over a billion dollars. The value of imports in 1927 was 400 million dollars; in 1937, 300 million.

—Thirty per cent of the total exports from the United States, 10% of the imports, were shipped through Southern ports.

—Out of every dollar of income earned in the South—in agriculture, mining and manufacturing, in the 30s, 15c was directly attributable to foreign trade. The figure for the nation as a whole is only half this amount.

**But important as foreign trade was to the South before the war, it holds out even more promise as a source of prosperity for the post-war period, both in the South and in the nation as a whole.**

**This promise of expanded world trade, which means jobs for American workers and opportunity for American businessmen, can be realized, however, only in a world secure from war and economic chaos. The passage by Congress of the Reciprocal Trade treaties and the Bretton Woods Agreement would go far toward guaranteeing this kind of harmonious international atmosphere.**

### *Bretton Woods Is No Mystery*

It is vitally important for the general public to understand just why monetary experts of 44 nations met in the little town of Bretton Woods, New Hampshire, last July, and what they agreed upon. And, contrary to the advice of Wall Street bankers, it is quite easy to understand what Bretton Woods was all about.

**The nations came together at Bretton Woods to develop a framework of world economic cooperation, to provide the machinery for orderly adjustment of international trade problems after the war, to find a way to avoid the currency wars and economic throat-cutting that helped bring on the world depression and World War II.**

The experts agreed to set up two agencies—a Fund and a Bank.

### *A Mutual-Aid Fund*

The fund would, first, stabilize the values of all currencies, in terms of gold. In the past, not only was the money used in each country different, but its value was constantly changing. Suppose, for example, an American manufacturer agreed to sell a tractor to a French concern for a certain number of francs. By the time he received payment, the francs might have gone down in value, and he would be forced to sell the tractor at a loss. Furthermore, certain speculators and international bankers could take advantage of this situation and juggle the values of different monies up and down so that no one really knew what the value of foreign money would be in world trade at any given future date.

The Fund proposed at Bretton Woods would put an end to this montetary chaos. Members of the Fund would be required to define the value of their currency in terms of gold and to refrain from changing it without consultation and approval of the Fund.

The second purpose of the fund would be to provide a source of foreign exchange to a nation temporarily embarrassed because its international out-payments exceed its international in-payments. To this fund, of $8.8 billion dollars, member nations each contribute a quota; the U. S. will subscribe $2.75 billion.

**The Fund will operate much like a credit union, to which members contribute and borrow from in emergencies. It will relegate to the past the practice of nations, when in need of foreign exchange, depreciating their currency or resorting to economic warfare.**

### *Bank for Reconstruction and Development*

The Bank's purpose is to help in the reconstruction of the war-torn countries and in the development of backward countries. Devastated Europe will need new factories, new power plants, new public works; but at the moment, the countries who have the direst needs have the least means of payment. The Bank would make long-term loans to those countries unable to secure loans through private banks. But on a much larger scale, it would investigate and guarantee the loans of private banks. The capital of the bank would be $10 billion, with the U. S. the largest stockholder, at $3.175 billion. Members pay in only 10% of their subscription, however.

As the world's greatest creditor power, this nation has more at stake in the Bretton Woods policy than any other country. We stand ready to export billions of dollars of capital at the end of the war. The security of these investments depends to a great extent on the monetary stability of the important states, which Bretton Woods would guarantee.

Bretton Woods, thus, means more exports, more imports, and more jobs.

### *19,965 Against 35*

**This program is so clearly needed, so clearly beneficial, one might suppose it would be welcomed by all Americans. And indeed, the overwhelming support it has received is reflected in the statement of Chairman Brent Spence of the House Banking Currency Committee, who reported that of 20,000 letters he had received on the subject, only 35 oppose Bretton Woods.**

But a powerful, if tiny, group is fighting Bretton Woods—the American Bankers Association, representing Wall Street Bankers—America's international financiers. They fight Bretton Woods because it restricts their power to control international finance. Preventing the juggling of currencies, it elim-

### *Why World Trad*

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**A tractor sold abroad means wages paid in the U. S. a tractor here.**

# ...and the Reciprocal Trade Treaties

inates the profits these bankers make from fluctuations in foreign exchange. Control of exchange under the Bretton Woods Agreement would be in the hands of government rather than Wall Street bankers, who have had ample opportunity to demonstrate that their control leads to depression and war.

### Beware of Crippling Amendments

Of course, the A. B. A. doesn't come right out into the open and oppose Bretton Woods "in principle". It calls instead for crippling amendments, the same sort of program that once before killed the League of Nations. The amendments proposed by the bankers would abolish the Fund, and put control of the Bank in their hands—amendments which would wreck the carefully-constructed agreement of 44 nations' experts, and bring about the "delay that destroys".

**The American Bankers Association is not only an insignificant section of the population numerically, it doesn't even represent all the bankers—only the most conservative, richest and backward-minded of them. The A. B. A. has opposed every forward-looking change in our financial system: it fought the establishment of the time-proved Federal Reserve System; it opposed the creation of the Securities and Exchange Commission; it even fought legislation establishing the Federal Deposit Insurance Corporation, which insures and protects all bank deposits up to $5,000 from bank failures.**

But the A. B. A. makes a lot of noise, and influences a lot of senators. Representative Spence's figures show how the country stands—19,965 to 35. But to make that figure count, you must make some noise yourself. Bretton Woods faces a very tough fight in the Senate. How will your Senator vote?

### High Tariffs Strangle World Trade

The other measure pending before the Senate which will help decide our future is the renewal and extension of the Reciprocal Trade Agreements. The issue here is also simple: shall America lower the economic barriers between nations and stimulate the free exchange of goods or shall we return to the high tariffs of the 20s, which strangled world trade and helped bring on the bitter fruits of the depression and war?

In 1934, under the leadership of President Roosevelt and Secretary of State Cordell Hull, the United States departed from its ruinous high tariff policy and by the Reciprocal Trade Agreements Act provided that the President could reduce tariff rates (Smoot-Hawley Tariff Act of 1930) as much as 50% for nations granting concessions to us.

**The Act was renewed in 1937, 1940 and 1943. The new act, passed by the House and now before the Senate, provides that the existing tariff charges can again be reduced another 50%, in the discretion of the President. This would mean a maximum reduction of 75% in the original Smoot-Hawley rates. This extension at this time is necessary, the State Department explains, because we have already almost completely exhausted the authority granted in the original act, and thus have no bargaining power to obtain concessions from other nations.**

From 1929 to 1933, total US exports declined from $5,241,000,000 to $1,675,000,000. The Reciprocal Trade Act accomplished the desired result of restoring international trade. By 1938-39, agreements with 16 countries were in effect. U. S. exports to these countries averaged 63% greater than in 1934-5. Exports to all other countries showed an increase of only 32%.

### Benefits to the South

**What benefits did the Reciprocal Trade Treaties bring to the South? Treaty by treaty, the State Department won concessions that created new markets for Southern products. For example:**

Lumber and wood manufactures are important products in almost every Southern state. New markets have been won for Southern timber in seventeen countries, where concessions have been obtained.

Cotton growers in Alabama, Arkansas, Mississippi and Georgia benefit from concessions obtained in trade agreements on raw cotton in five countries. This includes the United Kingdom, normally the most important market for American raw cotton, who agreed to maintain the existing-duty free treatment.

Oklahoma, Texas, Louisiana and Arkansas are benefitted from agreements with 14 countries restoring and expanding foreign markets for petroleum and petroleum products; and with ten countries reducing duties on rice.

Textile factory owners, workers and exporters, especially in North and South Carolina, benefit from concessions obtained in 17 countries, applying to cotton, silk and rayon textiles.

Foreign countries, between 1934 and 1938 granted 170 specific concessions in duty on Florida products. This number was about evenly divided between 1) fresh and canned Florida fruits; 2) fresh and canned Florida vegetables and 3) Florida lumber and naval stores. Fruit and vegetable growers in South Carolina and Virginia also prospered from these agreements.

**Dollars and cents figures for Florida tell the tale: Foreign countries, Canada, Cuba, Sweden and Brazil principally, in 1935 imported $12,720,000 worth of Florida's fruits, vegetables and lumber products. In 1938, after the treaties had had time to become effective, the total had grown to $18,331,000!**

But these treaties, which have been so beneficial, expire June 12. And, as in the case of Bretton Woods, powerful interests are fighting against renewing them. The Republican Party voted almost solidly against their renewal in the House. The Senate opposition is stronger and more dangerous.

President Truman has urged the passage of the Reciprocal Trade Act, and the Bretton Woods proposals. The responsibility is now in the hands of the people. As President Roosevelt said in his message to Congress transmitting the Bretton Woods proposals:

**"The point in history at which we stand is full of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs. We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power, the kind of lives our grandchildren can live."**

### ...eans More Jobs

JOBS IN WORLD TRADE—THE PROMISE OF BRETTON WOODS

...for the grocer; cash for the farmer, who can buy

# Will Your Senator Cast A Vote For World War III?

That the South has a strong tradition for international cooperation can be seen from the accompanying chart. In the days ahead, as the Senate isolationists make an all-out drive to sabotage the peace, the South has a special responsibility to see that every Senator votes for permanent peace machinery.

**Every black mark in this chart is a danger signal, representing a vote for blind isolationism. Every shaded mark is a serious warning, for our Senators cannot afford to be absent in the desperately close contests ahead.**

On the spot Washington correspondents have worked out the following line-up of Southern senators.

**For World Security:** Andrews, Bailey, Bankhead, Barkley, Bilbo, Connally, Eastland, Ellender, Fulbright, George, Glass, Hill, Maybank, Pepper, Russell, and Stewart.

**Favorable but Doubtful:** Byrd, Chandler, Hoey, Johnston, McClellan, McKellar, Overton.

**Dangerous:** Moore, O'Daniel, Thomas.

### Senate Committees

Of immediate importance are Southern members of the Senate Finance Committee considering the Reciprocal Trade Agreements and members of the Banking and Currency Committee, considering the Bretton Woods Agreement.

**Senate Finance Committee:** Favorable to Reciprocal Trade Treaties: Barkley, George, Connolly. Doubtful: Bailey, Byrd.

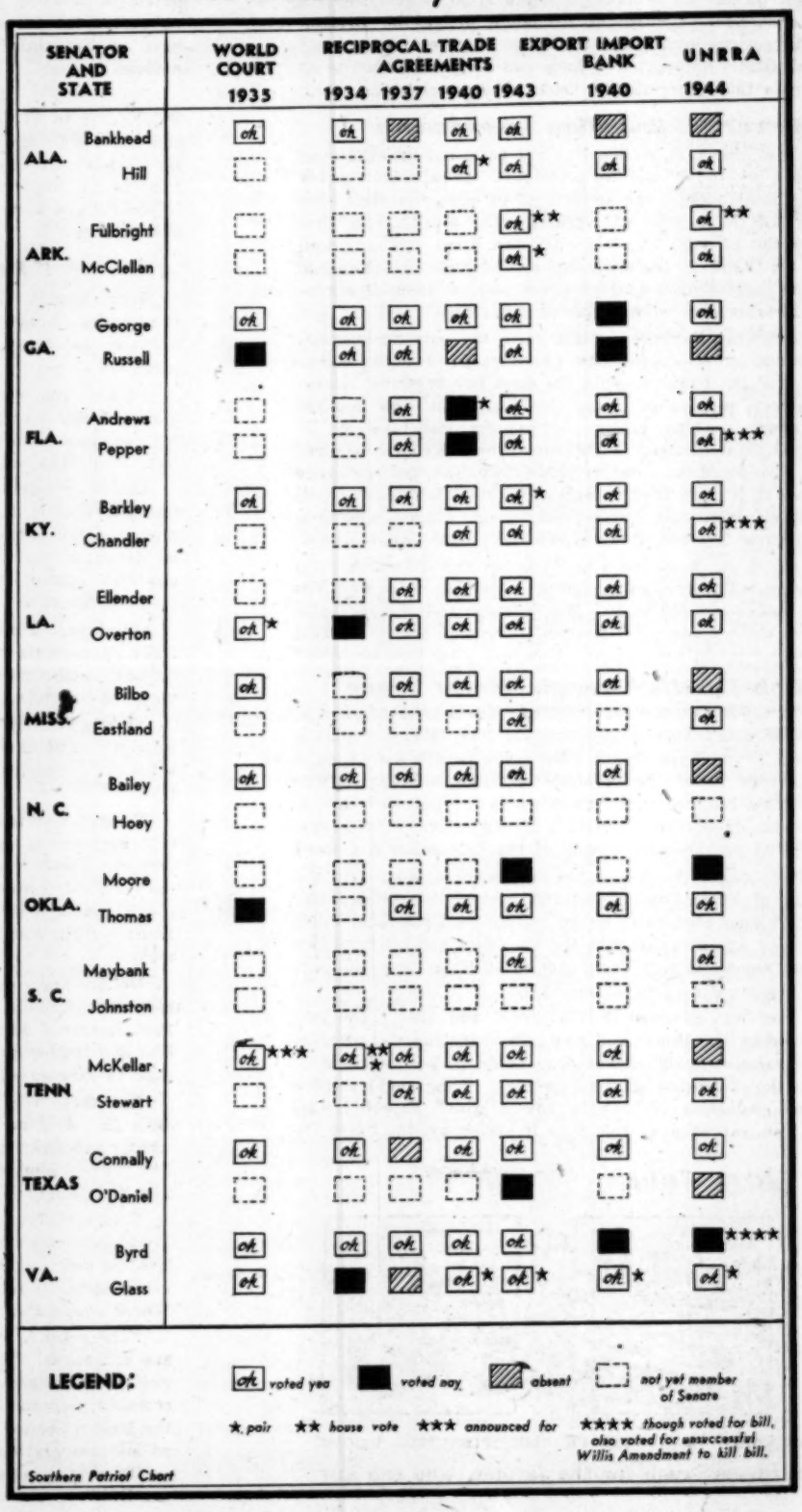
**Senate Banking and Currency Committee:** Favorable to Bretton Woods: Glass, Barkley, Bankhead, Fulbright.

### House Line-up

**In the House of Representatives, several Southern Congressmen have been outstanding leaders in the passage of the Reciprocal Trade Agreements, and in the House Banking Committee considering Bretton Woods. They are: Jerry Cooper of Tennessee; Brent Spence of Kentucky; Paul Brown of Georgia; Wright Patman of Texas; Mike Monroney of Oklahoma; John Folger of North Carolina; Brooks Hays of Arkansas; John Riley of South Carolina and Albert Rains of Alabama.**

On the other hand, several Southern Congressmen have had consistently isolationist records. The rogues gallery includes: four Southern Republicans: Robison of Kentucky; Reese and Jennings of Tennessee and Rizley of Oklahoma. Among the Democrats are Cravens of Arkansas, Sikes of Florida, Peterson and Gibson of Georgia, McGehee of Mississippi, Boren of Oklahoma and West of Texas.

## Record of Southern Senators on World Cooperation



## *Byrd-Butler Bill Gives McKellar Control of TVA*

Senate politicians made a two-way attack on TVA this month. Senator McKellar's attempt to block Lilienthal's reappointment was foiled by the determined action of the people of the Valley. But now a more subtle threat, an attempt to hamstring TVA finances, has been introduced by Senators Byrd and Butler. Now under consideration by the Senate Banking Subcommittee, the bill may come up for a vote very soon.

**The purpose of the bill, as stated in its first sentence, is to "provide for financial control of Government corporations." Translated, this means that Senator McKellar, through the powerful Appropriations Committee of which he is acting chairman, would control the pursestrings of TVA. For him to hold life-and-death financial power over TVA would be a blow as devastating as appointment of a McKellar henchman in Lilienthal's place.**

Tennessee Valley residents, intent on thwarting this second McKellar attack, sent a delegation headed by Mr. L. J. Wilhoite, chairman of the Chattanooga Power Board, to Washington to protest inclusion of TVA under the bill.

As Chairman Lilienthal told the Senate Banking Subcommittee, the provisions for auditing of funds and reports to the treasury already apply to TVA. The Government gets a full report of TVA's most minute financial transactions.

**But the Byrd-Butler grab plan would insure that TVA transact no business and make no administrative outlays, except in the amounts authorized by Congress IN ADVANCE. Thus, TVA, instead of using its own moneys for the myriad financial transactions necessary to efficient operation as in the past, would be forced to beg money for its every move from men many of whom have no interest in and no conception of the vast unified scope of its activity.**

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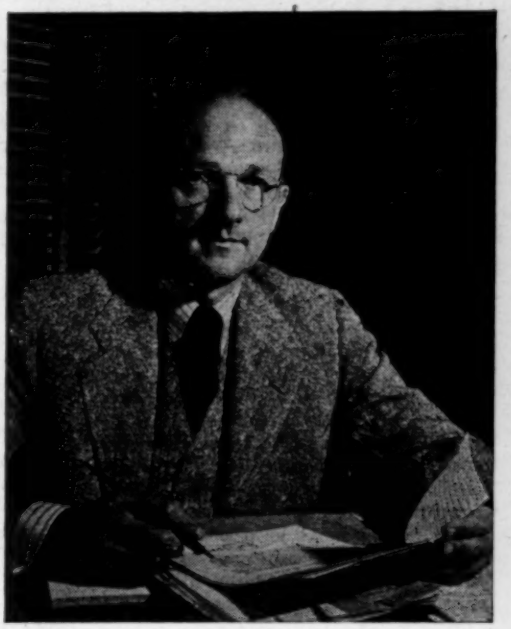
# The PATRIOT Salutes: David E. Lilienthal

David E. Lilienthal joined the TVA when that institution was two weeks old. In the 12 years since President Roosevelt brought them together, the man and the Authority have rolled up some staggering accomplishments.

**Mr. Lilienthal and TVA—which means Mr. Lilienthal and the enthusiastic valley people of 7 states—have built 16 dams, created 600 miles of navigation channel, produced 47 billion kilowatt-hours of electricity, earned 167 million dollars in revenues, and manufactured 600,000 tons of phosphate fertilizers. And they have become very fond of each other in the process.**

Mr. Lilienthal has remarked that the thing of which he is proudest is his residence and citizenship among the people of the TVA region. And the people like and trust this 45-year-old lawyer who explains in his book, "TVA—Democracy on the March", that the TVA idea succeeds because it enlists "the voluntary and ardent and enthusiastic participation of the people." They wrote thousands of letters to the President and to the Senate this month, urging and insisting that he be reappointed director of their TVA.



He was born in Illinois, graduated from DePauw University and Harvard Law School, and in 1926 began to practice law in Chicago. He represented that city in the famous case in which the Supreme Court ordered refunds of $20,000,000 to telephone subscribers.

### From Wisconsin To Tennessee

In 1931 he was appointed to the Wisconsin Public Service Commission. He reorganized the commission, and revised the public utility statutes of Wisconsin, which then became the model for half a dozen other states. From this post President Roosevelt appointed him to membership on the TVA board of directors.

**TVA under his leadership has integrated itself fully into the life of the valley. It employs no force, no coercion, but stands constantly ready to give aid and advice. It illustrated modern farming methods on 20,000 voluntary demonstration farms. Other farmers watched, and saw phenomenal increases in yields of corn and oats and cotton on land that had been encouraged with phosphates and lime and clover and lespedeza. And they went home and applied these land-enriching practices to their own worn-out farms.**

TVA advice and encouragement have aided many small businesses. A new cheese factory, cottonseed oil mills, wood-using industries are thriving. Former land-locked towns have become busy inland ports on a navigable waterway stretching from Paducah, Kentucky, to Knoxville, Tennessee.

### TVA Patronage-Proof

Millions have found recreation on the great chain of lakes and in the 16,000 acres of parks along their shores. 63,000 fishing parties were counted on Lake Norris alone by the Tennessee Conservation Commission in one brief test period.

**This tremendous, hard-working, unobtrusive government corporation employs 40,000 people, many of them doing the war work which uses 75% of TVA's power production today. The employees are chosen according to the rigid "TVA merit system." The fact that TVA is wholly patronage-proof explains the recurrent bitter attacks upon it. TVA is administered fairly, for all the region and all its people. That may help to explain the fact that there is no opposition and no criticism of TVA among the valley folks. They're too busy working with it. It looks like a partnership that will last.**